



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

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Fourth District

Michael D. Antonovich
Fifth District

September 8, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AGREEMENT WITH FORTINO CASTANEDA, M.D., INC. FOR RADIOLOGY
AND TELERADIOLOGY SERVICES**
(2nd District) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to sign an Agreement for radiology and teleradiology services, substantially similar to Exhibit I, with Fortino Castaneda, M.D., Inc., for the provision of radiology and teleradiology services at Martin Luther King, Jr./Drew Medical Center, effective upon date of Board approval through August 31, 2006, at an estimated net County cost of \$1,400,000.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

Approval of the Agreement with Fortino Castaneda, M.D., Inc. (Castaneda) will provide Martin Luther King, Jr./Drew Medical Center (King/Drew) with a method of ensuring the continued provision of radiology services for patients at King/Drew.

The services provided for in the Agreement, which will include on-site radiology coverage and teleradiology, are necessary to address critical staffing shortages, peak workloads, backlogs, and emergencies at King/Drew.

FISCAL IMPACT/FINANCING:

The estimated net County cost for the Agreement with Castaneda, effective upon Board approval through August 31, 2006, for Fiscal Year (FY) 2005-06 is \$1,400,000.

Funding is included in the FY 2005-06 Board Adopted Budget and will be included in the FY 2006-07 Budget request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

For the past several years, DHS has experienced increasing difficulty with the recruitment and retention of qualified physician radiologists. Maintaining adequate staffing of radiologists at King/Drew has been particularly problematic beginning June 2004 when the Accreditation Council on Graduate Medical Education removed the accreditation of King/Drew's radiology resident training program. As a result of that action, not only did King/Drew lose the supplemental coverage provided by residents, but several attending radiologists also left the facility. Compounding this personnel loss has been significant additional staff attrition and the difficulty in recruiting new radiology personnel.

King/Drew has attempted to fill its radiology services gaps with agency services. However, agency services failed to adequately cover the service needs for the facility. The need for critical night shift radiology services was partially alleviated with a contract for "Nighthawk" teleradiology services with a different contractor. Even with Nighthawk services, however, a severe backlog has accumulated in King/Drew's Radiology Department.

While the Agreement allows King/Drew the flexibility to use the services of this group less if employed staff increases, the Agreement requires Castaneda to be able to provide teleradiology services from Sunday through Thursday, 6:00 pm. through 7:00 a.m. of each day and on-site physician radiology coverage from Friday 6:00 p.m. through Sunday 6:00 p.m, if requested by the County. Until teleradiology services are fully operational, Castaneda will provide additional on-site physician radiology services from Sunday through Thursday, 6:00 pm. through 7:00 a.m.

Payment to Castaneda for teleradiology services and radiology services will be on a per-study fee basis for each study for which there is a dictated and signed report.

The recommended Agreement with Castaneda will be effective upon date of Board approval and continue through August 31, 2006. The County may terminate the Agreement upon 30-day advance written notice to Castaneda; Castaneda may terminate the Agreement upon 60-day advance written notice to the County.

The recommended Agreement includes the standard provisions mandated by the Board. In addition, the recommended Agreement includes mutual indemnity provisions and coverage of malpractice liability for off-site teleradiology services.

Attachments A and B provide additional information.

The Honorable Board of Supervisors
September 8, 2005
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County Counsel has reviewed and approved Exhibit I, as to use and form.

CONTRACTING PROCESS:

An open competitive selection process was not conducted due to the critical need to immediately have access to these services.

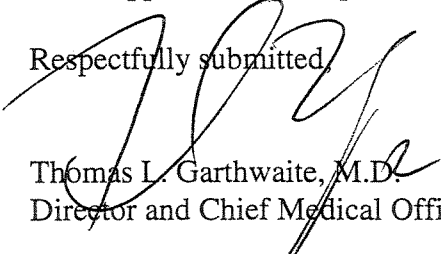
The Department will develop and complete a Request for Qualifications (RFQ) solicitation to ensure the provision of these services at King/Drew and other DHS facilities. The RFQ will be advertised on the Office of Small Business' Countywide Web Site (OSB).

IMPACT ON CURRENT SERVICES (OR PROJECT):

Board approval of the recommended Agreement will ensure the provision of physician radiology services to the patients at King/Drew.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:ir

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

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SUMMARY OF AGREEMENT

1. **TYPE OF SERVICE/PROJECT:**

Physician radiology and teleradiology services.

2. **CONTRACTOR ADDRESS AND CONTACT PERSON:**

Fortino Castaneda, M.D., Inc.
3686 Yorkshire Road
Pasadena, California 91107
Attention: Fortino Castaneda, M.D. , Chief Executive Officer
Telephone: (626) 437-9516

3. **TERM:**

Date of Board approval through August 31, 2006.

4. **FINANCIAL INFORMATION:**

The estimated net County cost for Fiscal Year (FY) 2005-06 is \$1,400,000. Funding is included in the FY 2005-06 Board Adopted Budget. Funding will be included in the FY 2006-07 Budget Request.

5. **GEOGRAPHIC AREA TO BE SERVED:**

Second Supervisorial District.

6. **ACCOUNTABLE FOR MONITORING AND EVALUATION:**

Administrator and Medical Director at Martin Luther King, Jr./Drew Medical Facility.

7. **APPROVALS:**

Operations:	Fred Leaf, Chief Operating Officer
Contract Administration:	Cara O'Neill, Chief, Contracts and Grants
County Counsel (review):	Anita D. Lee, Principal Deputy County Counsel

RADIOLOGY AND TELERADIOLOGY SERVICES AGREEMENT

MAXIMUM RATES BY AGREEMENT

Professional Services (On Site and Off Site) :

Contractor shall receive a fee for each Study, for which there is a dictated and signed report, as follows:

(i)	Magnetic Resonance	\$55 per Study
(ii)	Computed Tomography	\$45 per Study
(iii)	Ultrasound	\$35 per Study
(iv)	General Diagnostic	\$15 per Study
(v)	Gastrointestinal studies	\$100
(vi)	Nuclear Medicine studies	\$45
(vii)	Angiography during scheduled on-site hours	\$700
(viii)	Angiography during non- scheduled hours	\$900
(ix)	Other*	\$150

Payment for studies described in (vii) and (viii) above includes payment for the complete provision of services, i.e., preliminary procedures and/or procedures and/or preparation for the examination, the provision of the actual examination, the overall interpreting process, and all required follow-up to insure the report is accurate and timely.

“Study” means a procedure that is described using a distinct procedural code under the Current Procedure Terminology (CPT) of the American Medical Association, and which would warrant a separate payment under the rules applied by the Medicare Program. For example, if two CPT codes are utilized, consistent with the rules applied by the Medicare Program, to describe the professional services furnished under this Agreement, there would be a fee for two studies under this Agreement.

*Other interventional procedures including, but not limited to, PICC Line insertions.

Contract No.

RADIOLOGY AND TELERADIOLOGY SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this _____ day
of _____, 2005,

by and between COUNTY OF LOS ANGELES (hereafter
 "County")
and FORTINO CASTANEDA M.D., INC.
 (hereafter "Contractor").

WHEREAS, pursuant to California Health and Safety Code sections 1441 and 1445, County has established and operates, through its Department of Health Services, various County hospitals, comprehensive health centers and health centers, including Martin Luther King/Drew Medical Center ("KDMC"); and

WHEREAS, a large number of radiology services must be available to meet the needs of sick or injured County patients requiring treatment at KDMC; and

WHEREAS, County has determined that it has insufficient physician staff to provide all of the necessary radiology services required for its patients; and

WHEREAS, provision of radiology services are critical for patient care; and

WHEREAS, Contractor has the ability to provide on-site radiology services; and

WHEREAS, Contractor is obtaining the ability to provide teleradiology services;

and

WHEREAS, County is authorized by California Government Code sections

26227 and 31000, and by California Health and Safety Code sections 1441, 1445, and 1451 to contract for the medical services described hereunder.

NOW, THEREFORE, the parties hereto agree as follows:

1. DEFINITIONS:

A. "Administrator" is the individual acting in the capacity of Chief Executive Officer of KDMC, or his or her duly authorized delegatee.

B. "Director" means The Director of County's Department of Health Services, or his or her authorized designee.

C. "County Registered Patient" is a person receiving care at KDMC who is registered as an inpatient or an outpatient in KDMC's Affinity System.

D. "Physician Affiliate" means a licensed physician providing services under this Agreement who is not a principal in Contractor. It includes, but is not limited to, all physician employees or subcontractors.

E. "On Site" means provided on the licensed premises of KDMC.

2. TERM AND TERMINATION: The term of this Agreement shall commence upon date of Board approval, and shall continue in full force and effect to and including August 31, 2006 unless terminated sooner pursuant to the terms of this Agreement.

Except as otherwise set forth below, this Agreement may be terminated at any time by the County, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the Contractor.

County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its physician affiliates, fail to comply with the terms of this Agreement, or fail to carry out any directions issued within a reasonable time or on behalf of County issued pursuant to this Agreement.

County may also terminate this Agreement immediately if County has reasonable justification to believe that Contractor, its physician affiliates or its principals, may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

County shall provide a written "Notice of Immediate Termination" which shall be effective upon Contractor's receipt of such "Notice of Immediate Termination", or upon the date specified in the Notice, whichever is later.

County's failure to exercise its rights of termination shall not constitute waiver of such rights, and the same may be exercised at any subsequent time.

This Agreement may be terminated at any time by the Contractor, with or without cause, upon the giving of at least sixty (60) calendar days' advance written notice thereof to the County.

3. ADMINISTRATION: Director shall administer this Agreement on behalf of County. Director retains professional and administrative responsibility for the services rendered under this Agreement. The general responsibility, however, does not relieve Contractor from its specific duties stated elsewhere under this Agreement, including, but not limited to, the obligations: (1) to perform its professional services

according to customary quality of care standards in the community and under this Agreement; and (2) to defend County and other named agencies and individuals for claims, and to indemnify them for any resultant damages, based upon Contractor's failure or alleged failure to satisfy such quality of care standards. Contractor shall designate in writing a person who shall have the authority to administer this Agreement on behalf of Contractor.

Contractor extends to Director, Administrator, and to authorized representatives of the State, the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO") and the Center for Medicare and Medicaid Services the right at all reasonable times to review and monitor Contractor's personnel and services, including on-site visits to Contractor's office(s) to verify compliance with applicable standards and regulations and with the terms of this Agreement.

All such inspections made by Director and other County representatives shall be conducted during Contractor's normal business hours in a manner which will not interfere with Contractor's operations.

4. DESCRIPTION OF SERVICES: Contractor shall, upon the written request of Director or Administrator, arrange for the provision of radiology and teleradiology services described in Exhibit "A", attached hereto and incorporated herein by reference, at KDMC.

5. BILLING AND PAYMENT: All billings by Contractor for services provided pursuant to this Agreement shall be in accordance with the terms, conditions,

and rates set forth in Exhibit "B", attached hereto and incorporated herein by reference.

Unless otherwise specified in writing signed by Director, neither Contractor, its principals nor its physician affiliates shall bill any patient or any payor for services rendered pursuant to this contract and shall consider payment by County to be payment in full for such services. Contractor shall assure that its principals and physician affiliates take all steps necessary to assign to County their rights to payment by any patient or third party payor, including Medicare and Medi-Cal.

KDMC is required to maintain patient and other records of physicians providing services at KDMC. Such records may include, but are not limited to: Physician Time Allocation Survey, and Professional Services Assignment Agreement. Contractor shall fully cooperate with KDMC in completing such records whenever requested by Administrator to do so.

6. MAXIMUM COMPENSATION: The maximum compensation for a twelve (12) month period shall not exceed One Million Four Hundred Thousand Dollars (\$1,400,000).

In the event this Agreement is suspended, canceled, or terminated, County's payment obligation above shall cease as of the date of such suspension, cancellation, or termination.

Contractor shall pay the wages of his or her employees or agents who may render services hereunder as well as be responsible for all employment obligations and benefits for each employee, including, but not limited to, Federal and State withholding

taxes, Social Security taxes, Unemployment Insurance and Disability payments, if any.

Contractor agrees that should it perform services not requested and specified under this Agreement, such services shall be deemed to be a gratuitous effort on the part of Contractor and Contractor shall have no claim against County for such services.

7. NONEXCLUSIVITY: Contractor acknowledges that it is not the exclusive provider to County of the services to be provided under this Agreement, and that County has, or intends to enter into, contracts with other providers of said services for the provision thereof. County promises, however, to use its best efforts to utilize Contractor for some services during the Agreement term.

8. INDEPENDENT CONTRACTOR STATUS:

A. This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of employee, agent, servant, partnership, joint venture, or association, as between County and Contractor or as between County and Contractor- provided physician affiliates. The employees or agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

B. Contractor shall be solely liable and responsible for providing to, or on behalf of, its employees and physician affiliates all legally required employee benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, or Federal, State, and local taxes, or other compensation or benefits to any personnel provided by

Contractor.

C. Contractor understands and agrees that all persons furnishing services to County pursuant to this Agreement are, for purposes of workers' compensation liability, the sole responsibility of Contractor and not the responsibility of County. Contractor or Contractor's physician affiliates, as appropriate, shall bear the sole responsibility and liability for any and all workers' compensation benefits as a result of injuries arising from or connected with services performed by said physician affiliate pursuant to this Agreement.

D. Contractor shall inform all of its physician affiliates who may provide services under this Agreement in writing of the provisions of this Paragraph. A copy of such written notice shall be retained by Contractor for purposes of inspection and audit and made available to County upon request.

9. SUBCONTRACTING:

A. For purposes of this Agreement, all subcontracts must first be approved in writing by Director. Contractor's written request to Director for approval to enter into a subcontract shall be made at least ~~thirty (30)~~ ten (10) calendar days prior to the subcontract's proposed effective date, and shall include:

- (1) Identification of the proposed subcontractor, (who shall be licensed as appropriate for provision of subcontract services);
- (2) A copy of the proposed subcontract, which includes the

payment amount. (Any later modification of such subcontract shall take the form of a formally written subcontract amendment which also must be approved in writing by Director in the same manner as described above, before such amendment is effective.);

(3) Any other information and/or certification(s) requested by Director.

B. Director shall review Contractor's request to subcontract and shall determine, in his/her sole discretion, whether or not to consent to such a request on a case-by-case basis.

C. Subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. The making of subcontracts hereunder shall not relieve Contractor of any requirement under this Agreement, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors. Further, Director's approval of any subcontract shall also not be construed to limit in any way, any of County's rights or remedies contained in this Agreement.

D. In the event that Director consents to any subcontracting, Contractor shall be solely liable and responsible for any and all payments or other compensation to all subcontractors, and their officers, employees, and agents.

E. In the event that Director consents to any subcontracting, such

consent shall be subject to County's right to terminate, in whole or in part, any subcontract at any time upon written notice to Contractor when such action is deemed by County to be in its best interest. County shall not be liable or responsible in any way to Contractor, or any subcontractor, or to any officers, employees, or agents, of Contractor, or any subcontractor, for any liability, damages, costs, or expenses, arising from or related to County's exercising of such a right.

F. Subcontracts shall contain the following provision:

"This contract is a subcontract under the terms of a prime contract with the County of Los Angeles and shall be subject to all of the provisions of such prime contract." Further, Contractor shall also reflect as subcontractor requirements in the subcontract form all of the requirements of Paragraphs 3, 4, 5, 8 and 9 of this Agreement as well as all of the provisions of the Additional Provisions.

In the event that Contractor uses a subcontractor or subcontractors for the provision of outpatient services pursuant to this Agreement, Contractor shall pay its subcontractor(s) fair market value.

Contractor shall deliver to Director a fully executed copy of each subcontract entered into by Contractor, as it pertains to the provision of services under this Agreement, on or immediately after the effective date of the subcontract, but in no event, later than the date any services are to be performed

under the subcontract.

G. Director is hereby authorized to act for and on the behalf of County pursuant to this Paragraph, including but not limited to, consenting to any subcontracting.

10. INDEMNIFICATION:

A. County shall defend, indemnify, and save harmless only Contractor, Fortino Castaneda, M.D., Inc. and all other physicians who are providing services under this Agreement to the extent that they are either employees, principals or approved subcontractors of Contractor (for purposes of this Paragraph hereafter collectively referred to as "Protected Entity") from liability, expense and claims for damages resulting from or related to a medical incident arising out of the provision of on-site and teleradiology contract services hereunder. For purposes of this Agreement, a "medical incident" shall mean any act or omission in the rendering of, or failure to render, medical services, or treatment to County Registered Patients by a Protected Entity, at KDMC, in the performance of the Protected Entity's professional obligations under this Agreement.

B. County's defense and indemnification of Protected Entity hereunder shall only apply to payments of settlements, judgments, and awards to third parties. County's defense and indemnification of Protected Entity hereunder shall further only arise if Protected Entity's liability is to a County

Registered Patient or the patient's representative, and the patient, at the time of the medical incident, was receiving care from Protected Entity in the discharge of its obligations under the terms and conditions of this Agreement.

C. Protected Entity shall give prompt telephonic notice (within twenty-four (24) hours) to the KDMC Risk Manager of any incident, receipt of notice of intent to sue, action, or claim to which this indemnification applies and shall fully cooperate with County and its claims representatives, in any defense, settlement, or other disposition of such incident, action, or claim. Such telephonic notice shall be immediately followed by written notice to the KDMC Risk Manager. Such written notice shall include all of the information listed in County's Risk Management form. Contractor hereby acknowledges receipt of said County Risk Management form, and shall assure that each Protected Entity receives a copy.

D. County reserves the right to investigate any incident, notice of intent to sue, action, or claim. In such event, Protected Entity shall allow County representatives access to the medical records and reports pertaining to the services provided to any County Registered Patient involved in such incident, notice of intent to sue, action, or claim. Protected Entity shall also allow County representatives access to its employees and agents, if any, who provided services to the County Registered Patients involved in such incident, notice of intent to sue, action, or claim.

County reserves the right to determine the final disposition of any action or claim. In the event Protected Entity does not agree with the County or its agents in any defense, settlement, or other disposition of such action or claim, Protected Entity may retain counsel, at Protected Entity's sole expense, to pursue defense, settlement, or other disposition of such action or claim independently. In the event that Protected Entity chooses to retain counsel at its own expense to pursue defense, settlement, or other disposition of such action or claim independently, County's defense and/or indemnification obligation with respect to such action or claim shall be discharged and immediately terminate. County shall not have any obligation to further defend and/or indemnify Protected Entity, which as a result of choosing to retain independent counsel and pursuing defense, settlement, or other disposition of such action or claim independently, shall no longer be working in good faith with the County.

E. County shall have no defense and/or indemnification responsibility or liability for any incident, notice of intent to sue, action, or claim against Protected Entity where Protected Entity failed to provide County with prompt telephonic and written notice of such incident, notice of intent to sue, action, or claim, as specified in Subparagraph 6.C. above, or if Contractor has failed to fully and reasonably cooperate with County and its agents in the defense, settlement, or other disposition of such incident, action, or claim.

In addition, County shall have no defense and indemnification

responsibility or liability for any incident, action, or claim against Protected Entity by patients or their legal representatives, other than County Registered Patients who are receiving or received services pursuant to this Agreement. In addition, the obligation of the County to defend and/or indemnify shall not extend to or cover any allegation or complaint of Protected Entity's willful or criminal misconduct, including but not limited to sexual harassment, sexual assault, and/or sexual misconduct of any kind, nor shall the obligation to defend and/or indemnify extend to or cover any allegation or complaint pertaining to Protected Entity's employment or agency related matters. The obligation of the County to defend and/or indemnify shall not extend to or cover any person, real and/or corporate, except those specifically identified in Paragraph 8.A. County specifically disclaims any and all obligation to defend and/or indemnify any persons, real or corporate, who are not specifically identified in Paragraph 8.A. The obligation of the County to defend and/or indemnify shall not extend to or cover any award of any punitive damages.

F. The provisions of this Paragraph shall survive the expiration or earlier termination of this Agreement for actions or claims against Protected Entity.

11. GENERAL INSURANCE REQUIREMENTS: Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the

following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County, and such coverage shall be provided and maintained at Contractor's own expense.

A. Evidence of Insurance: Certificate(s) or other evidence satisfactory to County shall be delivered to County's Department of Health Services, Contracts and Grants Division, 313 North Figueroa Street, Sixth Floor-East, Los Angeles, California 90012, prior to commencing services under this Agreement. Such certificates or other evidence shall:

- (1) Specifically identify this Agreement.
- (2) Clearly evidence all coverages required in this Agreement.
- (3) Contain the express condition that County is to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.
- (4) Include copies of the additional insured endorsement to the commercial general liability policy, adding County of Los Angeles, its Special Districts, its officials, officers, and employees as insureds for all activities arising from this Agreement.
- (5) Identify any deductibles or self-insured retentions for County's approval. County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to

County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expense or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

B. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to County with an A.M. Best rating of not less than A:VII, unless otherwise approved by County.

C. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of contract upon which County may immediately terminate this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach.

D. Notification of Incidents, Claims, or Suits: Contractor shall report to County:

(1) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within twenty-four (24) hours of occurrence.

(2) Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this

Agreement.

(3) Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a County "Non-Employee Injury Report" to County contract manager.

(4) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies, or securities entrusted to Contractor under the terms of this Agreement.

E. Compensation for County Costs: In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County that would be allowable as damages under California law, Contractor shall pay full compensation for all such costs incurred by County.

F. Insurance Coverage Requirements for Subcontractors: Contractor shall ensure any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

(1) Contractor providing evidence of insurance covering the activities of subcontractors, or

(2) Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

12. INSURANCE COVERAGE REQUIREMENTS:

A. General Liability Insurance (written on Insurance Services Office [ISO] policy form "CG 00 01" or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 Million
Products/Completed Operations Aggregate:	\$1 Million
Personal and Advertising Injury:	\$1 Million
Each Occurrence:	\$1 Million

B. Workers Compensation and Employer's Liability Insurance, providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 Million
Disease - Policy Limit:	\$1 Million
Disease - Each Employee:	\$1 Million

13. ADDITIONAL PROVISIONS: Attached hereto and incorporated herein by reference is a document labeled "ADDITIONAL PROVISIONS". The terms and conditions contained therein are part of this Agreement.

14. NOTICES: Any and all notices required, permitted or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the

other party personally or by United States mail, certified or registered, postage prepaid, return receipt requested, to the parties at the following addresses and to the attention of the person named. Director shall have the authority to issue all notices which are required or permitted by County hereunder. Addresses and persons to be notified may be changed by either party by providing at least ten (10) calendar days prior written notice to the other.

A. Notices to County shall be addressed as follows:

Department of Health Services
Contracts and Grants Division
313 North Figueroa Street, Sixth Floor - East
Los Angeles, California 90012

Attention: Division Chief

B. Notices to Contractor shall be addressed as follows:

Fortino Castaneda, M.D., Inc.
3686 Yorkshire Road
Pasadena, CA 91107

Attention: Chief Executive Officer

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its

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Director of Health Services, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By:
Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

FORTINO CASTANEDA, M.D., INC.
Contractor

By
Signature

Printed Name

Title
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL:
Ray Fortner
County Counsel

Deputy County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

By
Cara O'Neill, Chief
Contracts and Grants Division

EXHIBIT A
DESCRIPTION OF SERVICES

1. **SERVICES TO BE PROVIDED:**

A. Contractor shall provide Radiology and Teleradiology Services (as hereinafter defined), in accordance with the terms and subject to the conditions set forth in this Exhibit. For purposes of this Agreement, "Radiology" means the Professional Services described in Section 2(A)(1) of this Exhibit A performed at KDMC. "Teleradiology Services" means the Professional Services described in Section 2(A)(2) of this Exhibit A "Reading Site," as used in this Exhibit A, is defined as a place at which radiologic images are interpreted for teleradiology services only.

B. Additionally, Contractor shall be expected to participate in departmental meetings, quality assurance activities, on-site medical conferences, the peer review process, and any other on-site activities deemed to be appropriate as requested by the Director, Administrator, Director, or radiology medical director, or their designated representative (hereinafter referred to as "Administrative Services"). Contractor has no obligation to provide academic services. The obligations of Contractor shall not include overall physician responsibility for KDMC's radiological service under state licensing laws and regulations or under any hospital accreditation standards or requirements, and

KDMC acknowledges that it is looking to KDMC radiologists to exercise and fulfill such physician responsibility.

2. CONTRACTOR RESPONSIBILITIES:

A. Professional Services: Contractor shall provide or arrange for the provision of the following services (collectively, the "Professional Services"):

(1) Radiology Services:

(a) Interpretation of diagnostic radiographic examinations, computed tomography, magnetic resonance imaging, nuclear medicine, gastrointestinal and genitourinary examinations, ultrasound, and interventional radiographic examinations;

(b) Preparation of reports shall be as follows:

(1) The report on all procedures annotated as being "stat" priority by KDMC shall be dictated by Contractor into the dictation system provided by KDMC and within thirty (30) minutes of receiving the image. The referring physician may therefore access the report through the telephone or the Internet. It is assumed that all emergency room services are "stat";

(2) All nonemergency procedures for inpatient with no specific priority annotation shall be considered to be

routine and the report on such images shall be dictated by Contractor into the dictation system provided and within one hundred twenty (120) minutes of Contractor receiving the image;

(3) All nonemergency procedures for outpatient with no specific priority annotation shall be considered to be routine and the report on such images shall be dictated by Contractor into the dictation system provided and within three hundred sixty (360) minutes of Contractor receiving the image;

(4) If Affiliated Physician or Principal of Contractor determines that a condition reflected in an image requires immediate attention, he or she shall contact appropriate personnel at KDMC by telephone.

(5) All interpretations shall be signed by the Affiliated Physician or Principal who interpreted the image within twelve (12) hours of receipt of the transcribed report. However, in no case shall a report be signed more than seventy-two (72) hours after it was dictated.

(c) Professional consultation to KDMC Radiology

Department staff, including technologists, sonographers, supervisors, nursing staff, and other attending and consulting physicians, as requested by KDMC.

(2) Teleradiology Services:

(a) Perform interpretation of radiographic images received at a reading site from KDMC;

(b) Telephone consultation by the Contractor with a physician, physician designee, or nurse at the KDMC, to the extent that the patient's condition requires such consultation, and the consultation has been requested from KDMC prior to or immediately following dictation or other communication by Contractor that indicates that there exists on the image a condition/result needing immediate attention and/or requiring clarification; and

(c) Preparation of reports shall be as follows:

(1) The report on all procedures annotated as being "stat" priority by KDMC shall be dictated by Contractor into the dictation system provided by KDMC and within thirty (30) minutes of receiving the image. The referring physician may therefore access the report through the telephone or the Internet. It is assumed that all emergency room services are

“stat”;

(2) All nonemergency procedures for inpatient with no specific priority annotation shall be considered to be routine and the report on such images shall be dictated by Contractor into the dictation system provided and within one hundred twenty (120) minutes of Contractor receiving the image;

(3) All nonemergency procedures for outpatient with no specific priority annotation shall be considered to be routine and the report on such images shall be dictated by Contractor into the dictation system provided and within three hundred sixty (360) minutes of Contractor receiving the image;

(4) If Affiliated Physician or Principal of Contractor determines that a condition reflected in an image requires immediate attention, he or she shall contact appropriate personnel at KDMC by telephone.

(5) All interpretations shall be signed by the Affiliated Physician or Principal who interpreted the image within twelve (12) hours of receipt of the transcribed report.

However, in no case shall a report be signed more than seventy-two (72) hours after it was dictated.

B. Business License: County acknowledges that the requirement that a Contractor shall provide evidence that it has, for a minimum of three (3) years, been in business as a provider of teleradiology services described in this Agreement is waived. However, Contractor must possess a current business license at the time of contract execution, and continuously thereafter throughout the term of the Agreement. Prior to the execution of this Agreement, Contractor shall provide the Department of Health Services, Contracts and Grants Division, with a copy of its current business license(s) and appropriate Employer Identification Number.

C. Hours of Coverage:

(1) The actual hours of service to be provided by Contractor shall be established by Administrator after notice and consultation with Contractor. Administrator may require Contractor's services on a shift, hourly or procedure specific base at Administrator's discretion, and may change the established hours at any time upon reasonable notice to Contractor, and after consultation with Contractor.

(2) Radiology Services:

(a) Contractor shall be prepared to provide on-site physician

coverage by an affiliated physician or principal to perform Professional Services during the hours of 6:00 p.m. Friday through 6:00 p.m. Sunday, Pacific Time, including holidays.

(b) Until Teleradiology Services are provided, Contractor shall be prepared to provide physician coverage on site by an affiliate physician or principal during the hours of 6:00 p.m. through 7:00 a.m., Sunday through Thursday, Pacific Time, including holidays.

(c) Administrator may utilize Contractor's services during any other time periods specified by Administrator with Contractor's consent.

(3) Teleradiology Services:

(a) Contractor shall provide an affiliated physician or principal to perform Professional Teleradiology Services as requested and agreed upon with Administrator, but at a minimum during the hours of 6:00 p.m. through 7:00 a.m. Sunday through Thursday, Pacific Time, including holidays, subject to 2.E.(2)(b) below.

(b) Teleradiology Services will be provided once the Teleradiology system is established. It is the parties' expectation

that Contractor will be able to provide Teleradiology Services by October 1, 2005.

D. Additional Provisions:

(1) Contractor shall use the dictation system provided by KDMC to prepare final reports.

(2) Contractor shall ensure that an affiliated physician and/or principal is always available for direct physician consultation.

E. Qualifications of Affiliated Physician or Principal: Each Affiliated Physician or Principal shall:

(1) Possess the necessary license(s) to perform the professional services required under this Agreement;

(2) Maintain medical staff privileges at KDMC; and

(3) Be certified by the American Board of Radiology.

F. Additional Services: Additional Services shall be provided as follows:

(1) Contractor shall provide the design and shall implement a global network infrastructure for teleradiology services to meet the demands of KDMC.

(2) Contractor shall secure a Teleradiology connection with KDMC and establish appropriate safeguards.

(3) Contractor shall provide for technical support to address problems in the computer infrastructure used by Contractor to provide Teleradiology Services.

3. EQUIPMENT AND SUPPLIES: Contractor, at no cost to County, shall provide or arrange for the provision of the following items and services (collectively, the "Equipment and Supplies") for the purpose of providing optimal teleradiology services and associated processing of reports:

A. Computer hardware selected by Contractor, to be utilized at the Reading Site(s);

B. Computer operating system software selected by Contractor, to be utilized at the Reading Site(s), with the exception of KDMC software necessary to electronically connect with PACS and Affinity;

C. Installation of software at the Reading Site(s), and training on such equipment of personnel utilizing computer hardware and software at the Reading Site(s);

D. Facsimile and telephone to be utilized at the Reading Site(s) to communicate with KDMC; and

E. Any supplies, services, maintenance, repairs, and upgrades required to allow the use of the equipment described in Paragraphs 3A through D above for the provision of optimal teleradiology services and associated reports.

4. SUPPORT STAFF: County shall employ or contract for the services of the certified radiologic technologists, or other qualified and authorized personnel, to properly transmit images to the Reading Site(s).

5. COMMUNICATION OF STUDY INTERPRETATIONS: KDMC shall take such actions as may be necessary, including provision of sufficient resources at the hospital, to allow for the immediate communication to the referring physician and/or other appropriate physician(s) of all interpretations of studies performed by the Affiliated Physicians and Principals and communicated to a Service Site.

6. MAINTENANCE OF FILMS AND PATIENT RECORDS: KDMC shall maintain all radiographic films and related patient records pertaining to studies interpreted by Affiliated Physicians and/or Principals in accordance with applicable federal and state laws. Upon request by Contractor for reasonable business purposes, including patient treatment or in connection with a professional liability claim, and after receipt from Contractor of any authorization or consent required by law, KDMC shall transmit electronic copies to Contractor and provide access to such films and records by the requesting party or its authorized agent, including the right to make copies thereof at the expense of the requesting party.

7. ADDITIONAL OBLIGATIONS OF KDMC:

A. KDMC shall notify Contractor of the telephone and facsimile numbers and contact person at each location providing images for purposes of

receiving teleradiology services ("Service Site") prior to the Commencement Date.

B. In the event KDMC personnel at a Service Site experience difficulty in transmitting an image to a Reading Site, KDMC personnel shall notify Contractor of such difficulty by telephone immediately.

C. KDMC shall cooperate with Contractor in the delivery of the services to be provided hereunder, including providing reasonable assistance to Affiliated Physicians or Principals seeking medical staff privileges at KDMC.

D. KDMC shall be responsible for obtaining or for causing the physician requesting the Professional Services at the Service Site to obtain any necessary informed consents from patients relating to the provision of Teleradiology Services.

E. KDMC shall cause Radiologists not covered by this Agreement to perform image review in the event that Contractor is unable to receive reviewable images and/or sufficient patient information from the Service Site during periods when Contractor is responsible for providing teleradiology services, for reason of failure of equipment referenced in Paragraphs 4. A. through D., above

F. KDMC shall cause County employed Radiologists to exercise overall responsibility for KDMC's radiological service at each Service Site to the extent that such responsibility is required to be exercised by a physician or

physician group under state licensing laws and regulations or under any applicable hospital accreditation standards or requirements.

G. KDMC shall provide necessary licenses and access to PACS and dictation systems for purposes of providing services under this Agreement.

H. KDMC shall provide the dictation system, paperwork supplies and all materials necessary for dictation.

8. PARKING SPACE: When providing services hereunder on site, Physician Affiliates and Principals shall be furnished by Administrator with parking at KDMC.

EXHIBIT B

BILLING, PAYMENT, AND SCHEDULE OF RATES

1. BILLING AND PAYMENT: Contractor shall bill County in arrears, in accordance with the terms, conditions, and rates set forth below. All billings shall clearly reflect and provide reasonable detail of the services for which claim is made, including, but not limited to, the names of the patients treated, their KDMC Medical Record Number, type of services (procedures) provided, name of the Affiliated Physician or Principal who provided each service, date of service, the authorized rate, and any other charges or credits, as set forth in this Agreement. To the extent that Contractor is seeking payment for a services which is pay for on a per diem basis, such billing shall also indicate the amount of time spent providing the service.

Billings shall be made and forwarded to the attention of the KDMC Expenditure Management Division promptly at the beginning of each month for services provided in the prior month. Upon receipt of a complete and correct bill, County shall pay Contractor within thirty (30) working days. Incorrect and/or discrepant billings, as determined by KDMC, will be returned to Contractor for correction before payment is made.

2. COMPENSATION RATES: County shall compensate Contractor for providing services hereunder in accordance with the schedule of rate(s)

listed below:

A. Professional Services: In payment for Professional Services and each and every other responsibility imposed on Contractor by this Agreement, including but not limited to the obligation to make physicians available as specified in Paragraph 2.C of Exhibit A, except Administrative Services, Contractor shall receive a fee based on the following schedule. The fee will be paid for each Study for which there is a dictated and signed report.

(i)	Magnetic Resonance	\$55 per Study
(ii)	Computed Tomography	\$45 per Study
(iii)	Ultrasound	\$35 per Study
(iv)	General Diagnostic Studies	\$15 per Study
(v)	Gastrointestinal Studies	\$100
(vi)	Nuclear Medicine Studies	\$45
(vii)	Angiography performed while providing services onsite during prescheduled hours	\$700
(viii)	Angiography performed after Contractor came in during non-scheduled hours:	\$900
(ix)	Other interventional procedures, including but not limited to, PICC Line insertions to be completed only when Contractor is scheduled to provide service on-site	\$150

B. For purposes of this Exhibit B, "Study" means a procedure that is

described using a distinct procedural code under the Current Procedure Terminology (CPT) of the American Medical Association, and which would warrant a separate payment under the rules applied by the Medicare Program. For example, if two (2) CPT codes are utilized, consistent with the rules applied by the Medicare Program to describe the professional services furnished under this Agreement, there would be a fee for two (2) Studies under this Agreement.

C Payment for each Studies described in vii and viii above includes payment for the complete provision of services, i.e., preliminary procedures and/or preparation for the examination, the provision of the actual examination, the overall interpreting process, and all required follow-up to insure the report is accurate and released to the referring physician in the time frames provided for in this Agreement.

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ADDITIONAL PROVISIONS

RADIOLOGY AND TELERADIOLOGY SERVICES AGREEMENT

1. RECORDS AND AUDITS:

A. Records of Services Rendered: Contractor shall prepare and maintain accurate and complete financial records of its activities and operations as they relate to services provided under this Agreement in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete personnel time records and other records of all services provided hereunder by its physician affiliates. All such records shall include supporting documentation and other information sufficient to fully and accurately reflect Contractor's provision of services hereunder, and all charges billed to County.

All such records shall be retained by Contractor for a minimum period of five (5) years following the expiration or earlier termination of this Agreement. During such five (5) years, as well as during the term of this Agreement, all such records shall be made available by Contractor at a location in Southern California and shall be made available during County's normal business hours upon request to representatives of County's Auditor-Controller or Director, or both, for purposes of inspection and audit.

B. Federal Access to Records: If, and to the extent that, section

1861(v) (1) (I) of the Social Security Act [42 U.S.C. section 1395x(v) (1) (I)] is applicable, Contractor agrees that for a period of five (5) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, the contract, books, documents, and records of Contractor which are necessary to verify the nature and extent of the cost of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve-month period with a related organization (as that term is defined under Federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor.

C. Audit Report(s): In the event that an audit is conducted of Contractor by a Federal or State auditor, Contractor shall file a copy of such audit report(s) with County's Auditor-Controller Department within thirty (30) days of receipt thereof unless otherwise provided for under this Agreement, or under applicable State or Federal regulations. To the extent permitted by law, County shall maintain the confidentiality of such audit report (s)

D. Audit/Compliance Review: In the event County representatives

conduct an audit/compliance review of Contractor, Contractor shall fully cooperate with County's representatives. Contractor shall allow County representatives access to all records of services rendered, including personnel time records, and all financial records and reports pertaining to, and required under, this Agreement and shall allow photocopies to be made of these documents utilizing Contractor's photocopier, for which County shall reimburse Contractor its customary charge for record copying services, if requested. Director shall provide Contractor with at least ten (10) working days prior written notice of any audit/compliance review.

County may conduct a statistical audit/compliance review of all claims paid by

County during a specified period. The sample shall be determined in accordance with generally accepted auditing standards. An exit conference shall be held following the performance of such audit/compliance review at which time the results shall be discussed with Contractor. Contractor shall be provided with a copy of any written evaluation report (s).

Contractor shall have the opportunity to review County's findings for Contractor, and Contractor shall have thirty (30) calendar days after receipt of County's audit/compliance review results to provide documentation to the County representatives to resolve audit exceptions. If, at the end of the thirty (30) day period, there remain audit exceptions which have not been resolved to the satisfaction of County's representatives, then the exception rate found in the

audit or sample results shall be applied to the total County payments made to Contractor for all claims paid during the audit/compliance review period to determine Contractor's liability to County.

E. County Audit Settlements: If, at any time during the term of this Agreement or at any time within five (5) years after the expiration or earlier termination of this Agreement, authorized representatives of County conduct an audit of Contractor regarding the services provided to County hereunder and if such audit finds that County's dollar liability for such services is less than payments made by County to Contractor, then Contractor agrees that the difference shall be either: (1) repaid forthwith by Contractor to County by cash payment, or (2) at Director's option, deducted from any further amount due to Contractor from County. If such audit finds that County's dollar liability for services provided hereunder is more than payments made by County to Contractor, then the difference shall be paid forthwith to Contractor by County by cash payment.

F. Failure to Comply: Failure of Contractor to comply with the requirements of this Paragraph shall constitute a material breach of this Agreement upon which County shall give Contractor written "Notice of Material Breach". If such breach has not been cured within ten (10) business days following the giving of such Notice, then County may, at County's sole discretion, immediately terminate this Agreement pursuant to the provisions of Paragraph 1,

TERM AND TERMINATION, in the body of this Agreement. County's failure to exercise this right of termination shall not constitute waiver of such right, and the same may be exercised at any subsequent time.

2. **CONFIDENTIALITY:** Contractor shall maintain the confidentiality of all records and information, including, but not limited to, billings, County records, and patient records, in accordance with all applicable Federal, State, and local laws, ordinances, regulations, and directives relating to confidentiality. Contractor shall inform all of its officers, employees, physician affiliates, agents, and independent contractors providing services hereunder of the confidentiality provisions of this Agreement. Contractor shall indemnify and hold harmless County, its officers, employees, agents, and independent contractors from and against any and all loss, damages, liability, and expense arising out of any disclosure of such records and information by Contractor, its officers, employees, physician affiliates, agents, or independent contractors.

3. **NONDISCRIMINATION IN SERVICES:** Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, age, or physical or mental handicap, in accordance with requirements of Federal and State law. For the purpose of this Paragraph, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of a facility; providing any service, or benefit to any person which is different, or is provided in a different manner or at a

different time, from that provided to others; subjecting any person to segregation or separate treatment in any matter related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership or any other requirement or condition which persons must meet in order to be provided any service or benefit. Contractor shall take affirmative action to ensure that intended beneficiaries of this Agreement are provided services without regard to race, color, religion, national origin, ancestry, sex, age, or physical or mental handicap.

4. NONDISCRIMINATION IN EMPLOYMENT:

A. Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries or holding companies are and will be treated equally by it without regard to, and will not be discriminated against because of, race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, in compliance with all applicable anti-discrimination laws and regulations of the United States of America and the State of California as they now exist or may hereafter be amended.

B. Contractor shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment without regard to, and will not be discriminated against because of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, in

compliance with all applicable anti-discrimination laws and regulations of the United States of America and the State of California as they now exist or may hereafter be amended. Such action shall include, but is not limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

C. Contractor shall deal with its subcontractors, bidders, or vendors without regard to, or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, as required by all applicable anti-discrimination laws and regulations of the United States of America and the State of California as they now exist or may hereafter be amended.

D. Contractor shall allow County representatives access to its employment records during regular business hours to verify compliance with these provisions when so requested by Director. Prior to any such inspection, Contractor may remove personal employee information from such records, which is protected under the privacy laws of the State of California. To the extent any such information may come into the possession of County during such an inspection, County hereby promises to protect same from disclosure to third parties.

E. If County finds that any of the above provisions have been violated, the same shall constitute a material breach of Agreement upon which County

may determine to cancel, terminate, or suspend this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated anti-discrimination provisions of this Paragraph.

F. The parties agree that in the event Contractor violates the anti-discrimination provisions of this Paragraph, County shall, at its option, be entitled to a sum of Five Hundred Dollars (\$500) per violation or group of such violations investigated, pursuant to Civil Code section 1671 as liquidated damages in lieu of suspending or terminating this Agreement.

G. The parties understand and agree that the liquidated damages payable pursuant to Subparagraph F above are meant to compensate County for the costs of each investigation of violation(s) of the anti-discrimination provisions of this Paragraph, and therefore, the parties agree that the basis for assessing liquidated damages for purposes of Subparagraph F above shall be the number of investigative reports submitted to Director, provided that no violation may be covered in more than one report. Director shall use his best efforts to ensure that violations will be grouped together whenever possible for purposes of investigation.

5. LICENSES, PERMITS, REGISTRATIONS, AND CERTIFICATES:

Contractor shall obtain and maintain in effect during the term of this Agreement all appropriate licenses, permits, registrations, and certificates required by law for the operation of its business and for the provision of services under this Agreement.

Copies of all such applicable licenses, permits, registrations, and certifications shall be delivered to County's Department of Health Services, Contracts and Grants Division, 313 North Figueroa Street, Sixth-Floor East, Los Angeles, California 90012, prior to commencing services under this Agreement.

Contractor shall further ensure that all its personnel, including all its physician affiliates and independent contractors, who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, and certificates required by law which are applicable to their performance hereunder. Copies of such licenses, permits, registrations, and certifications shall be made available to County upon request.

6. RULES AND REGULATIONS: During the time the Contractor, its officers, employees, physician affiliates, agents, and independent contractors are at KDMC, Contractor and such persons shall be subject to the rules and regulations of KDMC heretofore provided by Administrator to Contractor. It is the responsibility of Contractor to acquaint itself and such persons who may provide services hereunder with such rules and regulations. Contractor shall immediately and permanently withdraw any of its personnel, including physician affiliates, from the provision of services hereunder upon

receipt of oral or written notice from Director, that (i) such person(s) has (have) violated such rules and regulations, or (ii) such person's actions, while on County premises, may harm County patients. Director shall provide Contractor with a written statement of the facts supporting any such violation or action.

7. STAFF PERFORMANCE WHILE UNDER THE INFLUENCE: Contractor shall not knowingly permit any person to perform services here-under while under the influence of any alcoholic beverage, medication, narcotic or other substance that might impair her/his physical or mental performance.

8. CONTRACTOR PERFORMANCE DURING CIVIL UNREST OR DISASTER: Contractor recognizes that health care facilities maintained by County, including shelters and relief facilities operated by County during a disaster, provide care essential to the residents of the communities they serve, and that these services are of particular importance at the time of a natural disaster or other similar event, or at the time of a riot, insurrection or civil unrest. Notwithstanding any other provision of this Agreement, Contractor and Contractor's physician affiliates shall continue to provide services at KDMC and, if requested to do so by Director, shall also provide services at County operated shelters and relief facilities during any natural disaster or other similar event, riot, insurrection or civil unrest, so long as such performance remains physically possible.

Director shall provide Contractor with an explanation of the services and responsibilities required of Contractor in the event of a disaster or civil unrest.

9. UNLAWFUL SOLICITATION: Contractor shall inform all of its officers, physician affiliates, employees, agents, and independent contractors providing services hereunder of the provision of Article 9 of Chapter 4 of Division 3 (commencing with section 6150) of the California Business and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of said provisions by its officers, physician affiliates, employees, and agents. Contractor agrees that if a patient requests assistance in obtaining the services of an attorney, it will refer the patient to the attorney referral service of those bar associations within the Los Angeles County that have such a service.

10. CONFLICT OF INTEREST: No County officer or employee whose position in County enables her/him to influence the County award or administration of this Agreement or any competing agreement, and no spouse or economic dependent of such officer or employee shall be employed in any capacity by Contractor herein, or have any other direct or indirect financial interest in this Agreement.

No officer, employee, agent, physician affiliate, or independent contractor of Contractor who may financially benefit from the provision of services hereunder shall in any way participate in County's approval process for the award of this Agreement or any competing agreement, or the ongoing administration or evaluation of such services, or in any way under this Agreement or any competing agreement, or in any way attempt to unlawfully influence County's approval or ongoing administration or evaluation of such

services.

Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which create a conflict of interest. If Contractor hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make a full written disclosure of such facts to Director. Full written disclosure shall include, without limitation, identification of all persons involved and complete description of all relevant circumstances.

11. COVENANT AGAINST CONTINGENT FEES:

A. Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

B. For breach or violation of this warranty, County shall have the right to terminate this Agreement and, in its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

12. COMPLIANCE WITH APPLICABLE LAW:

A. Contractor and its physician affiliates shall comply with all Federal,

State and local laws, ordinances, rules, regulations, and directives applicable to its performance hereunder. Further, all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

B. Contractor shall indemnify and hold harmless County, its officers, employees and agents, from and against any and all loss, damage, liability, or expense resulting from any violation on the part of Contractor, its officers, employees, physician affiliates, or agents of such Federal, State or local laws, ordinances, rules, regulations, or directives.

13. FAIR LABOR STANDARDS: Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its officers, employees, physician affiliates, and agents from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs and attorneys' fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards Act for services performed by Contractor's employees and/or physician affiliates, for which County may be found jointly or solely liable.

14. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all Federal statutes and regulations regarding employment of aliens and others, and that all its employees and physician affiliates performing services hereunder meet the citizenship or alien status requirements contained in Federal statutes and regulations. Contractor shall obtain, from all such employees and

physician affiliates performing services hereunder, all verification and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Contractor shall retain such documentation for all covered employees and physician affiliates for the period prescribed by law. Contractor shall indemnify, defend and hold harmless County, its officers and employees from employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of Federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

15. RESTRICTIONS ON LOBBYING: If any Federal monies are to be used to pay for Contractor's services under this Agreement, Contractor shall comply with all certifications and disclosure requirements prescribed by section 319, Public Law 101-121 (31 United States Code section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully comply with all such certifications and disclosure requirements.

16. COUNTY LOBBYISTS: Contractor and each County lobbyist or County lobbying firm, as defined in Los Angeles County Code section 2.160.010, retained by Contractor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with the County Lobbyist Ordinance

shall constitute material breach of this Agreement upon which County may immediately terminate or suspend this Agreement.

17. MERGER PROVISION: The body of this Agreement, together with the Additional Provisions and the Exhibits attached hereto, fully expresses all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to or alteration of, the terms of this Agreement whether by written or verbal understanding of the parties, their officers, employees, physician affiliates, or agents shall be valid unless made in the form of a written amendment to this Agreement which is formally approved and executed by the parties.

18 SEVERABILITY: If any provision of this Agreement, including any provision in the Additional Provisions or the Exhibits, or the application thereof to any person or circumstance is held invalid, the remainder of the Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

19. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT: Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

20. CONTRACTOR'S WILLINGNESS TO CONSIDER COUNTY'S EMPLOYEES FOR EMPLOYMENT: Contractor agrees to receive referrals from

County's Department of Human Resources of qualified permanent employees who are targeted for layoff or qualified former employees who have been laid off and are on a re-employment list during the life of this Agreement. Such referred permanent or former County employees shall be given first consideration of employment as Contractor vacancies occur after the implementation and throughout the term of this Agreement.

Notwithstanding this or any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary of this Agreement.

21. CONSIDERATION OF COUNTY'S DEPARTMENT OF PUBLIC SOCIAL SERVICES ("DPSS") GREATER AVENUES FOR INDEPENDENCE ("GAIN") PROGRAM OR GENERAL RELIEF OPPORTUNITY FOR WORK ("GROW") PARTICIPANTS FOR EMPLOYMENT: Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in County's DPSS GAIN or GROW program(s), who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to Contractor. In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

22. COUNTY'S QUALITY ASSURANCE PLAN: Director or his/her agent will

evaluate Contractor's performance under this Agreement not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies which County determines are severe or continuing and that may place performance of this Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by Director and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this Agreement or impose other penalties as specified in this Agreement.

23. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. Contractor shall not delegate its duties under this Agreement, whether in whole or in part, without the prior written consent of County. Nor shall Contractor assign its rights hereunder, in whole or in part, without such County consent. Any assignment or delegation which does not have such prior County consent shall be null and void For purposes of this Paragraph, such County consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any billings to County by any delegatee or assignee on any claim under this Agreement, absent such County consent, shall not be paid by County. Any payments by County to any delegatee or assignee on any claim under this Agreement, in consequence of any such County consent, shall reduce dollar for dollar any claims which Contractor may have against County and shall be subject to set-off, recoupment, or other

reduction for any claims which County may have against Contractor, whether under this Agreement or otherwise.

B. Shareholders or partners, or both, of Contractor may sell, exchange, assign, divest, or otherwise transfer any interest they may have therein. However, in the event any such sale, exchange, assignment, divestment, or other transfer is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, then prior written consent thereof by County's Board of Supervisors shall be required. Any payments by County to Contractor on any claim under this Agreement shall not waive or constitute such County consent. Consent to any such sale, exchange, assignment, divestment, or other transfer shall be refused only if County, in its sole judgment, determines that the transferee(s) is (are) lacking in experience, capability, or financial ability to perform all Agreement services and other work. This in no way limits any County right found elsewhere in this Agreement, including, but not limited to, any right to terminate this Agreement.

24. SERVICE DELIVERY SITE - MAINTENANCE STANDARDS: Contractor shall assure that the locations where services are provided under provisions of this Agreement are operated at all times in accordance with County community standards with regard to property maintenance and repair, graffiti abatement, refuse removal, fire

safety, landscaping, and in full compliance with all applicable local laws, ordinances, and regulations relating to the property. County's periodic monitoring visits to Contractor's facilities shall include a review of compliance with the provisions of this Paragraph.

25. **TERMINATION FOR IMPROPER CONSIDERATION:** County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment, or extension of the Agreement, or the making of any determinations with respect to Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

Contractor shall immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

26. **CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD**

SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through County contracts are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department ("CSSD") Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246 (b)

27. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Failure of Contractor to maintain compliance with the requirements set forth in the CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM Paragraph immediately above, shall constitute default under this Agreement. Without limiting the rights and remedies available to County

under any other provision of this Agreement, failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Agreement pursuant to the TERM AND TERMINATION Paragraph of this Agreement, and pursue debarment of Contractor pursuant to County Code Chapter 2.202.

28. CONTRACTOR' S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT: Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post County's "L.A. 's Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. County's CSSD will supply Contractor with the poster to be used.

29. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM: Contractor hereby warrants that neither it nor any of its physician affiliates or staff members is restricted or excluded from providing services under any health care program funded by the Federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director within thirty (30) calendar days in writing of: (1) any event that would require Contractor or a staff member's mandatory exclusion from participation in a Federally funded health care program; and (2) any exclusionary action taken by any agency of the Federal government against Contractor or one or more staff members barring it or the staff

members from participation in a Federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any Federal exclusion of Contractor or its staff members from such participation in a Federally funded health care program.

Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

30. INTERPRETATION: This Agreement shall be interpreted in accordance with the laws of the State of California.

31. PROHIBITION AGAINST THE RECRUITMENT OF COUNTY EMPLOYEES: Except as may otherwise be expressly stated to the contrary herein, Contractor, and Contractor's employees, officers, agents, physician affiliates, or independent contractors, shall not hire, recruit, attempt to recruit, or cause to be recruited, any County employee to become an employee of Contractor, while Contractor, its employees, officers, agents, physician affiliates, or independent contractors are at a County KDMC.

Any such attempt hiring or recruitment of any County employee by Contractor, its employees, officers, agents, physician affiliates, or independent Contractors shall constitute a material breach of this Agreement upon which County shall immediately terminate this Agreement.

32. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided under this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness, or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engage in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false

claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractors representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

G. These terms shall also apply to any subcontractors of Contractor.

33. COMPLIANCE WITH HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996: The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations ("HIPAA") Contractor understands and agrees that, as a provider of medical treatment services, it is a "covered entity" under HIPAA and, as such, has obligations with respect to the confidentiality, privacy and security of patients' medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, and the use of appropriate consents and authorizations specified under HIPAA.

The parties acknowledge their separate and independent obligations with respect to HIPAA, and that such obligations relate to transactions and code sets, privacy, and security. Contractor understands and agrees that it is separately and independently responsible for compliance with HIPAA in all these areas and that County has not undertaken any responsibility for compliance on Contractor's behalf. Contractor has not relied, and will not in any way rely, on County for legal advice or other representations with respect to Contractor's obligations under HIPAA, but will independently seek its own counsel and take the necessary measures to comply with the law and its implementing regulations.

Contractor and County understand and agree that each is independently responsible for HIPAA compliance and agree to take all necessary and reasonable

actions to comply with the requirements of the HIPAA law and implementing regulations related to transactions and code set, privacy, and security. Each party further agrees to indemnify and hold harmless the other party (including their officers, employees, and agents) for its failure to comply with HIPAA.

34. COMPLIANCE WITH JURY SERVICE PROGRAM.

A. Jury Service Program: This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

B. Written Employee Jury Service Policy

(1) Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service served. Contractor's policy may further provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fee received for jury service.

(2) For purpose of this Paragraph, and as set forth in the Jury Service Program provision of the County Code as described hereinabove: "Contractor" shall mean a person, partnership, corporation, or other entity, that has a contract with County, or a subcontract with a County contractor, and has received, or will receive, an aggregate sum of Fifty Thousand Dollars (\$50,000) or more in any twelve (12) month period under one (1) or more County contracts or subcontracts; "employee" shall mean any California resident who is a full-time employee of Contractor; and "full-time" shall mean forty (40) hours or more worked per week, or a lesser number of hours, if: a) the lesser number is a recognized industry standard as determined by County, or b) Contractor has a long-standing practice that defines the lesser number of hours as full-time.

Full-time employees providing short-term temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

(3) If Contractor is not required to comply with the Jury Service

Program on the effective date of this Agreement, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definitions of "contractor", or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the Agreement term, and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "contractor" and/or that Contractor continues to qualify for an exception to the Jury Service Program. Contractor and its subcontractors, if applicable, may demonstrate their exemption, or compliance, with the above subject Jury Service Program by completing a "County of Los Angeles Contractor Employee Jury Service Program Application for Exemption and Certification Form" which should be obtained from, and returned to, Director within ten (10) calendar days before the effective date of this Agreement.

(4) Contractor's violation of this Paragraph of the Agreement may constitute a material breach of this Agreement. In the event of such breach, County may, in its sole discretion, terminate this Agreement

and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

35. **SAFELY SURRENDERED BABY LAW:** Contractor shall notify and provide to each of its officers, employees, and agents, and shall require that each of Contractor's sub-contractors providing services under this Agreement also notify and provide to each of its officers, employees, and agents, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. County's fact sheet is available on the Internet at www.babysafela.org for printing and review purposes. Further, Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage Contractor and all of its subcontractors, providing services under this Agreement, if any, to voluntarily post County's "Safely Surrendered Baby Law" poster in a prominent position at their place of business. County's Department of Children and Family Services will supply Contractor with the poster to be used.

36. **USE OF RECYCLED-CONTENT PAPER:** Consistent with County's Board of Supervisors policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled- content bond paper and paper products to the maximum extent possible in connection with services to be performed by Contractor under this Agreement.